

# **News Release**

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## **USDA ANNOUNCES 1998 ACREAGE ALLOTMENTS, PRICE SUPPORT, FOR CERTAIN KINDS OF TOBACCO**

WASHINGTON, February 27, 1998 -- The U.S. Department of Agriculture today announced acreage allotments for eight kinds of tobacco and the Commodity Credit Corporation price support levels for five kinds of tobacco for the 1998 marketing year.

The 1998 allotments and support levels for the kinds of tobacco for which quotas were in effect in 1997 are included in the following table for comparison:

Kind of tobacco	National Allotment (Acres)		Support Level (\$/lb.)		Marketing Assessment Producers/Purchasers/Total (cents/lb.)		
	1998	1997	1998	1997	1998		
Va. fire-cured (type 21)	1,710	1,506	1.536	1.498	0.7680	0.7680	1.536
Ky.-Tenn. fire-cured (types 22-23)	16,818	17,013	1.681	1.623	0.8405	0.8405	1.681
Dark air-cured (types 35-36)	4,882	4,273	1.450	1.398	0.7250	0.7250	1.450

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Va.							
sun-cured	118	114	1.360	1.326	0.6800	0.6800	1.360
(type 37)							
Cigar filler							
& binder							
(types 42-44	3,451	4,478	1.212	1.169	0.6060	0.6060	1.212
& 53-55)							

In addition, quotas for three other kinds of tobacco are also announced: Maryland (type 32), 3,583 acres; Pennsylvania filler (type 41), 320 acres; cigar binder (types 51-52), 706 acres. Producers of these three kinds of tobacco, along with Virginia sun-cured, will vote whether to approve quotas or not in four separate referenda, to be held by mail ballot March 23-27, 1998.

If more than two-thirds of voting producers approve quotas, they will be in effect for the next three crops and price support loans will be available. If quotas are disapproved, production will not be limited and price support loans will not be available.

Quotas were last in effect in 1965 for Maryland tobacco, grown in Maryland and Pennsylvania. Quotas have never been in effect for cigar filler (type 41) tobacco, grown in Pennsylvania. They were last in effect in 1983 for cigar binder (types 51-52) tobacco, grown in Connecticut and Massachusetts.

However, growers of Virginia sun-cured tobacco approved quotas for 1995, 1996, and 1997. In 1995, approval was by a 93.6 percent majority.

The 1998 price support levels for the five kinds of tobacco announced today range between 2.5 and 3.7 percent higher than the 1997-crop levels. The cooperative marketing associations, through which price support is made available to eligible producers, are authorized to request a reduction in the price support level to improve the marketability of the tobacco.

USDA's Commodity Credit Corporation will establish individual grade loan rates before the marketing season begins.

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The 1998-crop marketing assessment to be paid by both producers and purchasers will be, for each, 0.5 percent of the support level for a total of 1 percent of the support level. Tobacco marketing assessments for imported tobacco are paid by the importer only.

Except for farms on which producers in recent years have planted or received planted credit of less than 75 percent of the farm's acreage allotment, 1998 tobacco allotments are increased 15 percent for Virginia sun-cured, 15 percent for Virginia fire-cured, and 20 percent for dark air-cured. The allotments remain the same for Kentucky-Tennessee fire-cured tobacco. The allotments were reduced by 20 percent for cigar filler and binder tobacco.

Notices of the 1998 allotments for individual farms and voting information will be mailed to producers by USDA's Farm Service Agency county committees.

Additional program information is available from Bob Tarczy (202) 720-5346, e-mail [Bob\\_Tarczy@wdc.fsa.usda.gov](mailto:Bob_Tarczy@wdc.fsa.usda.gov)

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Va. sun-cured (type 37)	118	114	1.360	1.326	0.6800	0.6800	1.360
Cigar filler & binder (types 42-44 & 52-55)	3,451	4,478	1.212	1.169	0.6060	0.6060	1.212